

DMPC Decision – PCD 1007

Title: Contract Award for Supply Fitting and Disposal of Tyres

Executive Summary:

This business justification paper seeks approval for the award of two contracts with a combined value of £1.885M for the Supply, Fit and Disposal of Tyres to enable Metropolitan Police Service (MPS) to maintain its specialist and covert vehicles.

The MPS procurement process will be in accordance with the Public Contracts Regulations 2015 via the Crown Commercial Services Supply and Fit Tyres framework RM3767.

The supply, fit and disposal of tyres is essential to ensure the MPS fleet remains safe and legal to operate to meet its legal obligation to ensure the safety of its drivers and other road users and provide a tyre disposal service that is compliant with environmental regulations.

Recommendation:

The Deputy Mayor for Policing and Crime is recommended to:

1. Approve direct contract award for the supply, fit and disposal of tyres to the following suppliers via the Crown Commercial Services Supply and Fit Tyres framework RM3767 in compliance with the Public Contracts Regulations 2015:
 - Goodyear Dunlop Tyres UK Ltd with a contract award value at £1,345,000 at £336,000 per annum, funded from existing approved revenue budgets for a four-year term commencing from 1 October 2021.
 - Michelin Tyres PLC with a contract award value at £540,000 at £135,000 per annum, funded from existing approved revenue budgets for a four-year term commencing from 1st October 2021.

Deputy Mayor for Policing and Crime

I confirm I have considered whether or not I have any personal or prejudicial interest in this matter and take the proposed decision in compliance with the Code of Conduct. Any such interests are recorded below.

The above request has my approval.

Signature

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Date

14/07/2021

PART I - NON-CONFIDENTIAL FACTS AND ADVICE TO THE DMPC

1. Introduction and background

- 1.1. The MPS is transforming in response to changes in crime, finances and public expectations of policing, which has significant consequences for the MPS fleet. The MPS has set out the Met's Direction: Our Strategy 2018-2025 objectives to focus its policing activity on the following:
 - a) **Focus on what matters most to Londoners**
 - Preventing high-harm offences;
 - Protection for those at greatest risk and pursuing the most dangerous; and
 - Reducing the public's fear of crime.
 - b) **Mobilise partners and public**
 - Greater public awareness and engagement;
 - More active citizens; and
 - Clearer expectations of partners.
 - c) **Achieve the best outcomes in the pursuit of justice and in support of victims**
 - More victims satisfied with the MPS service;
 - Fair treatment of all victims; and
 - More crime solved and resolved.
- 1.2. Approval of these contracts will enable Fleet Services to maintain MPS covert and specialist vehicles and meet MPS operational needs.
- 1.3. In addition to above the award of these contracts will allow the MPS to meet its tyre policy requirements which includes vehicles to be fitted with the same make and specification of tyres. Currently approximately 94% of MPS vehicles are fitted with Goodyear Dunlop and Michelin tyres, the cost of changing tyres to an alternative make of tyre would be significant to the MPS.

2. Issues for consideration

- 2.1. The MPS currently operates a diverse range of covert and specialist fleet of approximately 1334 vehicles each of which will require regular tyre replacement due to usage wear and tear, deterioration with age and damage.
- 2.2. The existing support contracts with Goodyear Dunlop Tyres UK Ltd and Michelin Tyres PLC are due to expire on the 10th October 2021.
- 2.3. The contracts for Supply, Fit and Disposal of Tyres are essential to enable the MPS to maintain its covert and specialist fleet, ensuring the fleet remains safe and legal to operate and provide tyre disposal services that are compliant with environmental regulations.
- 2.4. An existing CCS framework for the Supply and Fit of Tyres includes mobile fitting for roadside assistance and tyre disposal. This is the preferred route to market as it is

associated to blue light emergency services, meets the scope of MPS requirements allows immediate access to a compliant route to market in line with EU regulations, offers pre-qualified suppliers, benefit of aggregated public sector volume and spend and associated benefits with an increased leverage in the market and reduced procurement timescales.

- 2.5. The CCS framework will expire 10th October 2021.
- 2.6. Collaboration opportunities were explored with GLA (LAS, LFB and TFL) and the City of London Police. Although interested they did not confirm volumes which could be included in this tender.
- 2.7. The CCS framework offers a fixed pricing schedule dependant on the tyre specification and vehicle application and is available to all UK Police and emergency services. This drives standardisation within UK Police forces and ensures that forces who use the framework are paying consistent prices regardless of fleet size or volumes purchased. Neither supplier offered additional volume discounts.
- 2.8. The Environment and Sustainability policy and the MPS Environment & Sustainability Strategy 2019-2021 have been taken into consideration. The specification of requirements for the supply, fit and disposal of tyres will capture the MPS responsible procurement requirements in addition to the provisions available via the CCS framework such as legislative compliance. The service solution through this contract includes collection from workshop of used and damaged vehicle tyres and those replaced at roadside. These are retreaded and shredded to be used in surfaces for sports grounds, play areas or in roads or utilised in energy intensive industries.

3. Financial Comments

- 3.1. The contracts have a combined value of £1.885M over a 4-year term and an estimated spend of £1.878M, the variance being for the contract headroom. Existing revenue budgets will cover this charge.

4. Legal Comments

- 4.1. The Mayor's Office for Policing and Crime (MOPAC) is a contracting authority as defined in the Public Contracts Regulations 2015 ("the Regulations"). When awarding public contracts for goods and services valued at £189,330 or above, all contracting authorities must do so in accordance with the Regulations.
- 4.2. This paper confirms the value of the proposed contracts exceed this threshold and so the Regulations are engaged.
- 4.3. This report identifies a Crown Commercial Services framework agreement as MOPAC's procurement route for the two contracts. A compliantly-procured framework agreement shall constitute a compliant route to market on the basis the framework is

still in force, MOPAC is identified as an eligible user of the framework, MOPAC's requirements are within the technical and financial scope of the framework and the call-off procedure set out in the framework is followed. The management and commercial case sections within this paper confirm that the above are met.

- 4.4. The MOPAC Scheme of Delegation and Consent provides the Deputy Mayor for Policing and Crime ("DMPC") has delegated authority to approve:
1. Business cases for revenue or capital expenditure of £500,000 and above (paragraph 4.8); and
 2. All contract exemptions for £100,000 or above and the procurement strategy for all revenue and capital contracts of a total value of £500,000 or above (paragraph 4.13).
- 4.5. Paragraph 7.23 of the Scheme provides that the Director of Strategic Procurement has consent for the approval of the award of all contracts, with the exception of those called in through the agreed call in procedure. Paragraph 4.14 of the Scheme provides the DMPC reserves the right to call in any MPS proposal to award a contract for £500,000 or above.

5. Commercial Issues

- 5.1. The framework is divided into 2 Lots:
- Lot 1 is for the police and emergency services. It covers fitting at supplier premises, customer premises, mobile fitting services and emergency breakdown services. A single supplier has been appointed: Goodyear Dunlop Tyres UK Ltd.
 - Lot 2 is a multi-supplier lot for the supply and fit of tyres and associated services for use by all government and the public sector organisations. Suppliers appointed to this lot are Goodyear Dunlop Tyres UK Ltd, Michelin Tyre Plc and ATS Euromaster Ltd.
- 5.2. Call-off agreements with suppliers will be conducted in accordance with the Public Contracts Regulations 2015 (PCR) via the Crown Commercial Services Supply and Fit of Tyres framework (RM3767) valid for use until 10 October 2021.
- 5.3. In order to have access to the diverse range of Goodyear Dunlop and Michelin tyres the MPS request approval to direct award contracts to both Goodyear Dunlop Tyres UK Ltd under Lot 1 and Michelin Tyres Plc under Lot 2. Sourcing the make of tyres required directly from the manufacturers will achieve better value for money and ensure the required stock holding.
- 5.4. The procurement strategy complies with the purchasing procedures set out in the framework and the requirement set out in this report is within the financial and technical scope of the framework.
- 5.5. Framework pricing is fixed and any changes are agreed by CCS before being implemented; it is based on the aggregated volume through framework, no further discount is available from the suppliers.

- 5.6. The CCS Supply and Fit of Tyres framework RM3767 supports public sector bodies in being able to contract award ensuring Responsible Procurement has been considered. By utilising the framework the MPS benefits from being part of a national procurement solution but also ensures that it is supporting local economies and SMEs.
- 5.7. The MPS can at any time in future, re-tender this opportunity under the new CCS framework arrangements, if the MPS decides this maybe favourable.

6. GDPR and Data Privacy

- 6.1. The MPS is subject to the requirements and conditions placed on it as a 'State' body to comply with the European Convention of Human Rights and the Data Protection Act (DPA) 2018. Both legislative requirements place an obligation on the MPS to process personal data fairly and lawfully in order to safeguard the rights and freedoms of individuals.
- 6.2. Under Article 35 of the General Data Protection Regulation (GDPR) and Section 57 of the DPA 2018, Data Protection Impact Assessments (DPIA) become mandatory for organisations with technologies and processes that are likely to result in a high risk to the rights of the data subjects.
- 6.3. The Information Assurance and Information Rights units within MPS will be consulted at all stages to ensure the project meets its compliance requirements.
- 6.4. Personal data is not required or stored.
- 6.5. Supply, fit and disposal of tyres does not use personally identifiable data of members of the public or Met personnel, aside from essential basic contact details necessary to ensure the discharge of the contract, so there are no GDPR issues to be considered.

7. Equality Comments

- 7.1. There are no negative equality or diversity implications arising from this procurement process. The Call Off agreement for the Supply, Fit and Disposal of Tyres will ensure suppliers adhere to perform their obligations in accordance with equality law.
- 7.2. In addition, it should be noted that the MPS support the Mayor's Responsible Procurement Policy including: Enhancing Social Value, Encouraging Equality and diversity, Embedding fair employment practices, Enabling skills, training and employment opportunities, promoting ethical sourcing practices and improving environmental sustainability.

8. Background/supporting papers

- 8.1. Report

Public access to information

Information in this form (Part 1) is subject to the Freedom of Information Act 2000 (FOIA) and will be made available on the MOPAC website following approval.

If immediate publication risks compromising the implementation of the decision it can be deferred until a specific date. Deferral periods should be kept to the shortest length strictly necessary.

Part 1 Deferral:

Is the publication of Part 1 of this approval to be deferred? NO

If yes, for what reason:

Until what date: N/A

Part 2 Confidentiality: Only the facts or advice considered as likely to be exempt from disclosure under the FOIA should be in the separate Part 2 form, together with the legal rationale for non-publication.

Is there a **Part 2** form – YES

ORIGINATING OFFICER DECLARATION

Tick to confirm statement (✓)

Financial Advice:

The Strategic Finance and Resource Management Team has been consulted on this proposal.

✓

Legal Advice:

The MPS legal team has been consulted on the proposal.

✓

Equalities Advice:

Equality and diversity issues are covered in the body of the report.

✓

Commercial Issues

The proposal is in keeping with the GLA Group Responsible Procurement Policy.

✓

GDPR/Data Privacy

- GDPR compliance issues are covered in the body of the report.
- A DPIA is not required.

✓

Director/Head of Service:

The Chief Finance Officer has reviewed the request and is satisfied it is correct and consistent with the MOPAC's plans and priorities.

✓

Chief Executive Officer

I have been consulted about the proposal and confirm that financial, legal and equalities advice has been taken into account in the preparation of this report. I am satisfied that this is an appropriate request to be submitted to the Deputy Mayor for Policing and Crime.

Signature



Date 13/07/2021



MAYOR OF LONDON
OFFICE FOR POLICING AND CRIME

CONTRACT AWARD FOR SUPPLY, FIT AND DISPOSAL OF TYRES

MOPAC Investment Advisory & Monitoring meeting 30th June 2021

Report by Jiggs Bharij on behalf of the Chief of Corporate Services

Part 1 – This section of the report will be published by MOPAC. It is classified as OFFICIAL – PUBLIC

EXECUTIVE SUMMARY

This business justification paper seeks approval to direct award two contracts with a combined value of £1.885M for the Supply, Fit and Disposal of Tyres to enable Metropolitan Police Service (“MPS”) to maintain its specialist and covert vehicles.

The MPS procurement process will be in accordance with the Public Contracts Regulations 2015 via the Crown Commercial Services Supply and Fit Tyres framework RM3767.

The supply, fit and disposal of tyres is essential to ensure the MPS fleet remains safe and legal to operate to meet its legal obligation to ensure the safety of its drivers and other road users and provide tyres disposal services that is compliant with environmental regulations.

Recommendations

The Deputy Mayor for Policing and Crime, via the Investment Advisory and Monitoring meeting (IAM), is asked to:

1. **Approve the direct contract award for the supply, fit and disposal of tyres to the following suppliers:**
 - **Goodyear Dunlop Tyres UK Ltd with a contract award value at £1,345M at £336K per annum and is funded from existing approved revenue budgets for a four-year term (4) commencing from 1st October 2021.**
 - **Michelin Tyres PLC with a contract award value at £540k at £135K per annum and is funded from existing approved revenue budgets for a four-year term (4) commencing from 1st October 2021.**
2. **Note: The MPS procurement process will be in accordance with the Public Contracts Regulations 2015 via the Crown Commercial Services Supply and Fit of Tyres framework RM3767.**

Time sensitivity

A decision is required from the Deputy Mayor for Policing and Crime by 14th July 2021. This will allow sufficient time to be complete procurement activity in a timely manner.

Non-confidential facts and advice to the Deputy Mayor for Policing and Crime

Introduction and background

1. The MPS is transforming in response to changes in crime, finances and public expectations of policing, which has significant consequences for the MPS fleet. The MPS has set out the **Met's Direction: Our Strategy 2018-2025** objectives to focus its policing activity on the following:
 - a) **Focus on what matters most to Londoners**
 - Preventing high-harm offences;
 - Protection for those at greatest risk and pursuing the most dangerous; and
 - Reducing the public's fear of crime.
 - b) **Mobilise partners and public**
 - Greater public awareness and engagement;
 - More active citizens; and
 - Clearer expectations of partners.
 - c) **Achieve the best outcomes in the pursuit of justice and in support of victims**
 - More victims satisfied with the MPS service;
 - Fair treatment of all victims; and
 - More crime solved and resolved.
2. Approval of these contracts will enable Fleet Services to maintain MPS covert and specialist vehicles and meet MPS operational needs.
3. In addition to above the award of these contracts will allow the MPS to meet its tyre policy requirements which includes vehicles to be fitted with the same make and specification of tyres. Currently approximately 94% of MPS vehicles are fitted with Goodyear Dunlop and Michelin tyres, the cost of changing tyres to an alternative make of tyre would be significant to the MPS.

Issues for consideration

4. The MPS currently operates a diverse range of covert and specialist fleet of approximately 1334 vehicles each of which will require regular tyre replacement due to usage wear and tear, deterioration with age and damage.
5. The existing support contracts with Goodyear Dunlop Tyres UK Ltd and Michelin Tyres PLC are due to expire on the 10th October 2021.
6. The contracts for Supply, Fit and Disposal of Tyres is essential to enable the MPS to maintain its covert and specialist fleet, ensuring the fleet remains safe and legal to operate and provide tyres disposal services that is compliant with environmental regulations.

7. An existing CCS framework for the Supply and Fit of Tyres includes mobile fitting for roadside assistance and tyre disposal. This is the preferred route to market as it is associated to blue light emergency services, meets the scope of MPS requirements allows immediate access to a compliant route to market in line with EU regulations, offers pre-qualified suppliers, benefit of aggregated public sector volume and spend and associated benefits with an increased leverage in the market and reduced procurement timescales.
8. The CCS framework will expire 10th October 2021.
9. Collaboration opportunities were explored with GLA (LAS, LFB and TFL) and the City of London Police. Although interested they did not confirm volumes which could be included in this tender.
10. The CCS framework offers a fixed pricing schedule dependant on the tyre specification and vehicle application and is available to all UK Police and emergency services. This drives standardisation within UK Police forces and ensures that forces who use the framework are paying consistent prices regardless of fleet size or volumes purchased. Neither supplier offered additional volume discounts.

Contributes to the MOPAC Police & Crime Plan 2017-2021¹

11. Access to these contracts will enable the MPS to maintain its fleet specialist and covert and keep a mobile service capable of responding proactively to crime and policing matters, combating terrorism and protecting those living and working in and around London.

Financial, Commercial and Procurement Comments

12. The contracts have a combined value of £1.885M over a 4-year term and an estimated spend of £1.878M the variance is contract headroom. Existing revenue budgets will cover this charge.
13. The framework is divided into 2 Lots:
 - Lot 1 is for the police and emergency services. It covers fitting at supplier premises, customer premises, mobile fitting services and emergency breakdown services. A single supplier has been appointed: Goodyear Dunlop Tyres UK Ltd.
 - Lot 2 is a multi-supplier lot for the supply and fit of tyres and associated services for use by all government and the public sector organisations. Suppliers appointed to this lot are Goodyear Dunlop Tyres UK Ltd, Michelin Tyre Plc and ATS Euromaster Ltd.
14. Call-off agreements with suppliers will be conducted in accordance with the Public Contracts Regulations 2015 (PCR) via the Crown Commercial Services Supply and Fit of Tyres framework (RM3767) valid for use until 10 October 2021.
15. In order to have access to the diverse range of Goodyear Dunlop and Michelin tyres the MPS request approval to direct award contracts to both Goodyear Dunlop Tyres UK Ltd under Lot 1 and Michelin Tyres Plc under Lot 2. Sourcing the make

¹ [Police and crime plan: a safer city for all Londoners | London City Hall](#)

of tyres required directly from the manufacturers will achieve better value for money and ensure the required stock holding.

16. The procurement strategy complies with the purchasing procedures set out in the framework and the requirement set out in this report is within the financial and technical scope of the framework.
17. Framework pricing is fixed and any changes are agreed by CCS before being implemented; it is based on the aggregated volume through framework, no further discount is available from the suppliers.
18. The CCS Supply and Fit of Tyres framework RM3767 supports public sector bodies in being able to contract award ensuring Responsible Procurement has been considered. By utilising the framework the MPS benefits from being part of a national procurement solution but also ensures that it is supporting local economies and SME's.
19. The MPS can at any time in future, re-tender this opportunity under the new CCS framework arrangements, if the MPS decides this maybe favourable.

Legal Comments

20. The Mayor's Office for Policing and Crime (MOPAC) is a contracting authority as defined in the Public Contracts Regulations 2015 ("the Regulations"). When awarding public contracts for goods and services valued at £189,330 or above, all contracting authorities must do so in accordance with the Regulations.
21. This paper confirms the value of the proposed contracts exceed this threshold and so the Regulations are engaged.
22. This report identifies a Crown Commercial Services framework agreement as MOPAC's procurement route for the two contracts. A compliantly-procured framework agreement shall constitute a compliant route to market on the basis the framework is still in force, MOPAC is identified as an eligible user of the framework, MOPAC's requirements are within the technical and financial scope of the framework and the call-off procedure set out in the framework is followed. The management and commercial case sections within this paper confirm that the above are met.
23. The MOPAC Scheme of Delegation and Consent provides the Deputy Mayor for Policing and Crime ("DMPC") has delegated authority to approve:
 1. Business cases for revenue or capital expenditure of £500,000 and above (paragraph 4.8); and
 2. All contract exemptions for £100,000 or above and all requests to go out to tender for contracts of £500,000 or above, or where there is a particular public interest (paragraph 4.13).
24. Paragraph 7.23 of the Scheme provides that the Director of Strategic Procurement has consent for the approval of the award of all contracts, with the exception of those called in through the agreed call in procedure. Paragraph 4.14 of the

Scheme provides the DMPC reserves the right to call in any MPS proposal to award a contract for £500,000 or above.

Equality Comments

25. There are no negative equality or diversity implications arising from this procurement process. The Call Off agreement for the Supply, Fit and Disposal of Tyres will ensure suppliers adhere to perform their obligations in accordance with equality law.
26. In addition, it should be noted that the MPS support the Mayor's Responsible Procurement Policy including: Enhancing Social Value, Encouraging Equality and diversity, Embedding fair employment practices, Enabling skills, training and employment opportunities, promoting ethical sourcing practices and improving environmental sustainability.

Privacy Comments

27. The MPS is subject to the requirements and conditions placed on it as a 'State' body to comply with the European Convention of Human Rights and the Data Protection Act (DPA) 2018. Both legislative requirements place an obligation on the MPS to process personal data fairly and lawfully in order to safeguard the rights and freedoms of individuals.
28. Under Article 35 of the General Data Protection Regulation (GDPR) and Section 57 of the DPA 2018, Data Protection Impact Assessments (DPIA) become mandatory for organisations with technologies and processes that are likely to result in a high risk to the rights of the data subjects.
29. The Information Assurance and Information Rights units within MPS will be consulted at all stages to ensure the project meets its compliance requirements.
30. Personal data is not required or stored.
31. Supply, fit and disposal of tyres does not use personally identifiable data of members of the public or Met personnel, aside from essential basic contact details necessary to ensure the discharge of the contract, so there are no GDPR issues to be considered such as, Inclusion, diversity, and equality.

Real Estate Implications

32. There are no real estate implications as a result of this contract award.

Environmental Implications

33. The Environment and Sustainability policy and the MPS Environment & Sustainability Strategy 2019-2021 have been taken into consideration. The specification of requirements for the supply, fit and disposal of tyres will capture the MPS responsible procurement requirements in addition the provisions available via the CCS framework such as legislative compliance. The service solution through this contract includes collection from workshop of used and damaged vehicle tyres and those replaced at roadside, these are retreated and shredded to be used in surfaces for sports grounds, play areas or in roads or utilised in energy intensive industries.

Background/supporting papers

Report author: Jiggs Bharij, Head of Fleet Services.

Part 2 – This section refers to the details of the Part 2 business case which is NOT SUITABLE for MOPAC Publication.

The Government Security Classification marking for Part 2 is:
OFFICIAL-SENSITIVE [COMMERCIAL]

Part 2 of Contract Award for Supply, Fit and Disposal of Tyres is exempt from publication for the following reasons:

- Exempt under Article 2(2)(a) of the Elected Local Policing Bodies (Specified Information) Order 2011 (Data Protection Section 43 – Commercial Interests).
- The relevant sections under the FOIA that would exempt this information from disclosure Commercial Interest Section 43

The paper will cease to be exempt until seven years after all contracts have expired.